

**HKD ENERGY LIMITED
DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE PERIOD 7 OCTOBER 2014 TO 30 JUNE 2015**

HKD Energy Limited
Directors' Report and Financial Statements
For the Period 7 October 2014 to 30 June 2015

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HKD Energy Limited
Company Information
For the Period 7 October 2014 to 30 June 2015

Directors

Mr Nicholas Owens (appointed 17 November 2015)
Mr Chris Handel
Mr John Willis
Dr Juliet Merrifield
Ms Rebecca Hanley
Mr Darren Berman

Company Number

7021

Registered Office

15 East Gardens
Ditchling
East Sussex
BN6 8ST

HKD Energy Limited
Company No. 7021
Directors' Report For the Period 7 October 2014 to 30 June 2015

The directors present their report and the financial statements for the period ended 30 June 2015.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

The Co-operative and Community Benefit Societies Act 2014 requires the directors to prepare financial statements that include a revenue account and a balance sheet for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company for that period. In preparing the financial statements under United Kingdom Generally Accepted Accounting Practice the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of Disclosure of Information to Independent Examiners

The directors of the company who held office at the date of approval of this annual report confirm that:

- so far as they are aware, there is no relevant audit information of which the company's independent examiners auditors are unaware; and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors independent examiners are aware of that information.

Principal Activity

The objects of the Society are to carry on any business for the benefit of the community by:

- (a) The development, installation, management, operation, generation, transmission and provision of the supply of energy from renewable sources: currently this forms the principal activity;
- (b) The conservation of energy through provision of advice on energy efficiency including energy efficient products and the supply of energy efficient products and such other activities of a general commercial company as the members shall agree from time to time; and
- (c) The promotion of awareness of environmental and related issues and support for educational initiatives related to renewable energy.

Directors

The directors who held office during the period were as follows:

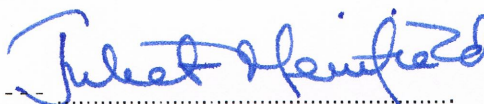
HKD Energy Limited
Directors' Report (continued) For the Period 7 October 2014 to 30 June 2015

Mr Chris Handel	APPOINTED	07/10/2014
Mr John Willis	APPOINTED	07/10/2014
Dr Juliet Merrifield	APPOINTED	07/10/2014
Ms Rebecca Hanley	APPOINTED	07/10/2014
Mr Darren Berman	APPOINTED	07/10/2014

Small Company Rules

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

On behalf of the board



Mr John Willis
Secretary

Dr Juliet Merrifield
Treasurer

Ms Rebecca Hanley
Director

05/01/2016

05/01/2016

05/01/2016

HKD Energy Limited
Auditor's Report
For the Period 7 October 2014 to 30 June 2015

Independent Auditor's Report to the Members of HKD Energy Limited

HKD Energy Limited is a small society under the provisions of Section 83(4) of the Co-operative and Community Benefit Societies Act 2014. In compliance with Section 83(2) of the Act directors appointed us as two appropriately qualified persons to audit the accounts of HKD Energy Limited for the year ended 30 June 2015. We have examined the financial statements, which comprise the Income and Expenditure Statement, the Balance Sheet, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the society's members, as a body, in accordance with the Co-operative and Community Benefit Societies Act 2014. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the society and the society's members as a body, for our work, or for the opinions we have formed.

Respective Responsibilities of Directors and Independent examiners

As explained more fully in the Directors' Responsibilities Statement set out on page 2—3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to review and express an opinion on the financial statements in accordance with applicable law.

Scope of the Independent Examination of the Financial Statements

An independent examination involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on Financial Statements

In our opinion the financial statements:

- give a true and fair view of the state of the Society's affairs as at 30 June 2015 and of its profit/(loss) for the financial period then ended, as required by and in compliance with Sections 80(1) and 80(5) of the Co-operative and Community Benefit Societies Act 2014; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Practice applicable to smaller entities.

Opinion on Other Matter Prescribed by the Companies Act 2006

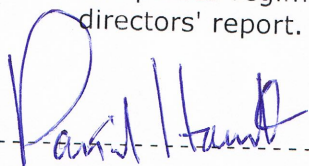
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

HKD Energy Limited
Auditor's Report (continued)
For the Period 7 October 2014 to 30 June 2015

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our examination have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records or returns;
- we have not received all the information and explanations we require for our examination, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report.



JPS HAWORTH MSc
FCIB (retd)
5/1/2016



Mrs S E Owens
5/1/2016

HKD Energy Limited
Profit and Loss Account
For the Period 7 October 2014 to 30 June 2015

	Notes	Period to 30 June 2015 £
TURNOVER		5,645
Cost of sales		(1,715)
GROSS PROFIT		3,930
Administrative expenses		(1,646)
OPERATING PROFIT	2	2,284
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		2,284
Other interest receivable and similar income		6
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,290
Tax on profit on ordinary activities	3	(1)
PROFIT FOR THE FINANCIAL PERIOD	8	2,289

HKD Energy Limited
Balance Sheet
As at 30 June 2015

		Period to 30 June 2015	
	Notes	£	£
FIXED ASSETS			
Tangible Assets	4		90,277
			90,277
CURRENT ASSETS			
Debtors	5	5,567	
Cash at bank and in hand		6,796	
		12,363	
Creditors: Amounts Falling Due Within One Year	6	(1)	
NET CURRENT ASSETS (LIABILITIES)			12,362
TOTAL ASSETS LESS CURRENT LIABILITIES			102,639
NET ASSETS			102,639
CAPITAL AND RESERVES			
Called up share capital	7		100,350
Capital redemption reserve			1,673
Profit and Loss Account			616
SHAREHOLDERS' FUNDS	8		102,639

HKD Energy Limited
Balance Sheet (continued)
As at 30 June 2015

Directors' responsibilities:

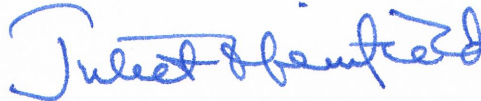
- These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the Financial Reporting Standard for Smaller Entities (effective 2008).

On behalf of the board

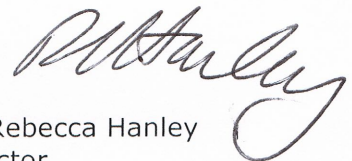


Mr John Willis
Secretary

05/01/2016



Dr Juliet Merrifield
Treasurer



Ms Rebecca Hanley
Director

HKD Energy Limited
Notes to the Accounts
For the Period 7 October 2014 to 30 June 2015

1. Accounting Policies

1.1. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.2. Turnover

Turnover comprises feed in tariff (FIT) payments due to the company for electricity generated within the financial period, plus accruals for electricity supplied under service contracts (whether or not invoiced) within the financial period, net of Value Added Tax and trade discounts.

1.3. Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant & Machinery	Solar panels, over 20 years on a straight line basis; and Inverter over 8 years straight line
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2. Operating Profit

The operating profit is stated after charging:

	Period to 30 June 2015
	£
Depreciation of tangible fixed assets	1,715

3. Tax on Profit on Ordinary Activities

	Tax Rate	Period to 30 June 2015
	Period to 30 June 2015	£
UK Corporation Tax	20%	1
Total Current Tax Charge		1

HKD Energy Limited
Notes to the Accounts (continued)
For the Period 7 October 2014 to 30 June 2015

4. Tangible Assets

	Plant & Machinery £
Cost	
As at 7 October 2014	-
Additions	91,992
As at 30 June 2015	<u>91,992</u>
Depreciation	
As at 7 October 2014	-
Provided during the period	1,715
As at 30 June 2015	<u>1,715</u>
Net Book Value	
As at 30 June 2015	<u>90,277</u>
As at 7 October 2014	<u>-</u>

Tangible fixed assets comprise predominantly equipment for the generation of solar power.

5. Debtors

	Period to 30 June 2015 £
Due within one year	
Amounts recoverable on contracts	5,432
VAT	135
	<u>5,567</u>

Debtors comprise amounts invoiced to customers for the supply of generated solar power and Feed In Tariff payments due from the Government for generated electricity, all net of Value Added Tax; plus amounts of recoverable Value Added Tax where payments have exceeded sales in the closing quarter year.

HKD Energy Limited
Notes to the Accounts (continued)
For the Period 7 October 2014 to 30 June 2015

6. Creditors: Amounts Falling Due Within One Year

	Period to 30 June 2015 £
Corporation tax	1

7. Share Capital

	Value £	Number	Period to 30 June 2015 £
Allotted and called up			
Ordinary shares	1.000	100350	100,350

8. Reconciliation of Reserves

	Share Capital £	Capital Redemption £	Profit & Loss Account £
As at 7 October 2014	100,350	-	-
Profit for period	-	-	2,289
Transfer to capital redemption reserves	-	-	(1,673)
Transfer to/from Profit & Loss Account	-	1,673	-
As at 30 June 2015	100,350	1,673	616

HKD Energy Limited
Trading Profit and Loss Account
For the Period 7 October 2014 to 30 June 2015

	Period to 30 June 2015	
	£	£
TURNOVER		
Sales		5,432
Grants and subsidies received		213
		<u>5,645</u>
COST OF SALES		
Depreciation of plant and machinery	1,715	
	<u></u>	<u>(1,715)</u>
GROSS PROFIT		3,930
Administrative Expenses		
Insurance on plant, machinery and equipment	193	
Stationery	35	
Advertising and marketing costs	114	
Website costs	70	
Accountancy fees	228	
Legal fees	1,006	
	<u></u>	<u>(1,646)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		2,284
Interest Receivable		
Bank interest receivable	6	
	<u></u>	<u>6</u>
NET PROFIT		<u>2,290</u>